DOCUMENT RESUME

ED 353 878 HE 026 133

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TITLE	Staff Study - State University of New York Should Analyze and Evaluate Support Service Costs. Report 93-D-11.
INSTITUTION	New York State Office of the Comptroller, Albany.
PUB DATE	22 Sep 92
NOTE	49p.
PUB TYPE	Reports - Research/Technical (143)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	College Administration; Comparative Analysis; *Cost Effectiveness; Costs; Educational Finance; *Efficiency; Expenditure per Student; Expenditures; Higher Education; Noninstructional Student Costs; *Program Evaluation; Resources; Services; Service Workers; State Programs; State Standards; Student Personnel Services
IDENTIFIERS	*State University of New York; *Student Support Services

ABSTRACT

This study examined State University of New York (SUNY) costs for support services to students, focusing particularly on why SUNY's costs are higher than those of similar states and where more efficiency might be achieved. The study involved the following elements: analysis of service costs for all SUNY campuses for fiscal year 1989-90; six visits to campuses; review of policies, procedures, rules, and regulations; interviews with management and staff; review of relevant support service records; observation; personal services evaluation; and comparison of study data with data from peer institutions. The evaluation found that SUNY has not established expenditure guidelines for support service costs or analyzed or evaluated campus support service costs. Comparison with peer institutions found that support service costs per enrolled full-time student vary widely among campuses with some institutions spending nearly 50 percent more per student than others. Analysis and comparison of support service costs at six institutions where site visits were conducted found that SUNY could achieve cost savings totaling almost $10 million at these six campuses if the least efficient operations could achieve the same efficiency as at the most efficient campuses. Appendixes contain a list of contributors to the report, State Comptroller's notes, and the comments of SUNY officials who disagree with the report's observations and recommendations. (JB)

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State of New York
Office of the State Comptroller
Division of Management Audit

STAFF STUDY - STATE UNIVERSITY OF NEW YORK SHOULD ANALYZE AND EVALUATE SUPPORT SERVICE COSTS

REPORT 93-D-11

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HE 026 133

State of New York
Office of the State Comptroller

Division of Management Audit

Report 93-D-11

The Honorable D. Bruce Johnstone, Ph.D.
Chancellor
State University of New York
State University Plaza
Albany, NY 12246

Dear Chancellor Johnstone:

The following is a staff study on the State University of New York's cost of support services.

This study was performed pursuant to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law.

This report was prepared under the direction of John T. Walsh, Audit Director. Other major contributors are listed in Appendix A.

Office of the State Comptroller
Division of Management Audit

September 22, 1992

Executive Summary

Staff Study - State University of New York Should Analyze and Evaluate Support Service Costs

Scope of Study

The State University of New York (SUNY) spent approximately $218 million during the 1989-90 fiscal year for support service costs at its 34 State-operated campuses. A staff study performed by the Office of the State Comptroller (91-S-31, issued April 3, 1991) comparing SUNY finances with similar state universities indicated that SUNY spent $62 million more on support services than its peer universities. The two major categories of expenditures within support services are General Administrative Services (GAS) and General Institutional Services (GIS). GAS includes the executive level offices for administration, academics and research. It also includes other financial and administrative functions such as budgeting, accounting, purchasing, personnel, student billing and cashiering. GIS includes auto services, duplicating, computer operations, mail, security, telephones, shipping, receiving and other similar activities. Approximately 4,000 full-time equivalent (FTE) employees provide these types of services for almost 164,000 FTE enrolled students.

Our audit addressed the following questions about SUNY's use of support service dollars:

° Why are SUNY's costs for support services higher than other states?

° Where can cost efficiencies be achieved?

Study Observations and Conclusions

SUNY has not established expenditure guidelines for support service costs. In addition, SUNY does not analyze or evaluate campus support service costs. Consequently, there is no assurance that costs are reasonable and necessary.

We compared campuses by their peer grouping within SUNY (e.g. university centers, arts and science colleges, etc.) and found that support service costs per enrolled FTE student vary widely among campuses. Within the university center grouping Stony Brook had the highest expenditure per FTE student at $1,512 (28 percent above the mean for that group) and Binghamton had the lowest at $759 (35.8 percent below the mean). Similar variances in expenditures per FTE student existed within the other college groupings. For example, within the arts and science (A&S) grouping Purchase spent $1,487 per FTE student (50.5 percent above the mean for A&S

colleges) while Buffalo spent only $678 per FTE student (31.4 percent below the mean for A&S colleges). Within the Agriculture and Technology grouping, Cobleskill spent $1,361 per FTE student while Farmingdale spent $729 per FTE student.

SUNY has not determined why these differences exist or what impact they may have on SUNY's overall mission of providing the "people of New York educational services of the highest quality, with the broadest possible access" (which logically encompasses affordability). Without established standards for accepted levels of expenditure and periodic monitoring and analysis of support service costs, SUNY, the Board of Trustees, the Legislature, the Governor and the people of New York can not be sure such costs are reasonable and necessary. (See pp. 3-4)

We performed analyses of support service costs at various campuses to identify cost variances and the potential for more efficient operations. Based on our visits to the four university centers and two colleges we made three comparisons: Buffalo/Stony Brook, Albany/Binghamton and Fredonia/Potsdam. These campuses were paired because they are similar in size and mission. We estimate that SUNY could achieve cost savings totaling almost $10 million at these campuses assuming that the campuses with the least efficient operations could achieve the same level of efficiency as the campuses with the most efficient operations. For example, we found that, excluding computer costs because they are accounted for differently, Buffalo spends $934 per student while Stony Brook spends $1,417 per student for support service costs. If Stony Brook could operate at the same cost per student as Buffalo they could save about $7 million annually in support service costs. (See pp. 5-7)

We also reviewed information for some of the specific functions (e.g. Budgeting, Accounts Payable, Payroll, etc.) performed at each campus visited. We compared how these functions were performed at similar campuses using information such as number of employees, number of transactions, units of output and other units of measure. We found that each of the campuses may have the opportunity to reduce support service staff thereby achieving in total a savings of over $3.7 million annually. For example, for the Accounts Payable function, Stony Brook has 73 percent more staff than Buffalo, yet processes 8 percent less transactions. Similar differences were identified for many of the other functions performed at the six campuses visited. SUNY should follow up on the potential savings identified in this report and reduce costs where practical. (See pp. 7-13)

Response of SUNY Officials

SUNY officials disagree with our observations and recommendations. (See Appendix B)

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Introduction

Background

The State University of New York (SUNY) spent approximately $218 million during the 1989-90 fiscal year for support service costs at its 34 State-operated campuses. A staff study performed by the Office of the State Comptroller (91-S-31, issued April 3, 1991) comparing SUNY finances with similar state universities indicated that SUNY spent $62 million more on support services than its peer universities. The two major categories of expenditures within support services are General Administrative Services (GAS) and General Institutional Services (GIS). GAS includes the executive level offices for administration, academics and research. It also includes other financial and administrative functions such as budgeting, accounting, purchasing, personnel, student billing and cashiering. GIS includes auto services, duplicating, computer operations, mail, security, telephones, shipping, receiving and other similar activities. Approximately 4,000 FTE employees provide these types of services for almost 164,000 FTE enrolled students.

Scope, Objectives and Methodology of Study

We analyzed campus support service costs for all SUNY campuses for fiscal year 1989-90. We also made visits to six campuses (four university centers and two colleges) to obtain additional information for our analysis and review. The primary objectives of our study were to determine why SUNY costs for support services are higher than other states and to identify potential opportunities for cost efficiency. To accomplish these objectives, we reviewed applicable policies, procedures, rules, and regulations; interviewed SUNY management and staff; examined relevant support service transactions and records; observed various support service operations; evaluated and assessed staffing levels, staff/supervisor ratios, and other than personal services (OTPS) spending levels; and compared data from SUNY campuses to data from peer institutions within the SUNY system. We relied upon records and data maintained by SUNY. This included cost information reported on the State Comptroller's accounting records, number of students enrolled at each campus, and the number of records or transactions produced by some of the units. Although we did not audit all of the data used in this report our tests of the data at the campuses visited did not disclose any inaccuracies.

We use a risk-based approach when selecting activities to be reviewed. This approach focuses efforts on those operations that

SUNY Does Not Analyze or Evaluate Support Service Costs

SUNY has not established expenditure guidelines for support service costs. In addition, SUNY does not analyze or evaluate campus support service costs. Consequently, there is no assurance that costs are reasonable and necessary. We compared campuses by their peer grouping within SUNY and found that support service costs per enrolled FTE student vary widely among campuses.

SUNY's management style is one of decentralization with overall direction from SUNY Central. Policies relating to the overall management and direction of SUNY are set by the Board of Trustees. The campuses, under the direction of SUNY Central, are responsible for establishing procedures to implement the policies. SUNY Central monitors expenditures on a very broad level to ensure that campuses operate within their budgets. SUNY Central generally does not monitor the campuses' implementation of policies and procedures or evaluate the campuses' use of funds with regards to economy, efficiency or effectiveness at a level as detailed as General Administrative and General Institutional Services. Annual budgets are generally based on historical funding levels with adjustments for inflation and new initiatives. Consequently, operational inefficiencies may be carried over from year to year.

SUNY measures its student enrollment in terms of FTEs for budgeting and analytical purposes. We analyzed support service costs per FTE student by campus and found that costs varied considerably among campuses (Exhibit 1). For example, within the university center grouping Stony Brook had the highest expenditures per FTE student at $1,512 (28 percent above the mean for that group) and Binghamton had the lowest at $759 per FTE student (35.8 percent below the mean). Similar variances in expenditures per FTE student existed within the other college groupings. For example, within the arts and science (A&S) grouping, Purchase spent $1,487 per FTE student (50.5 percent above the mean for A&S colleges) while Buffalo spent only $678 per FTE student (31.4 percent below the mean of A&S colleges). Within the Agriculture and Technology grouping, Cobleskill spent $1,361 per FTE student while Farmingdale spent $729 per FTE student.

... the greatest opportunity for improved efficiency may be through the reduction or reallocation of personnel.

We noted the largest cost component of support services is personal service costs. Therefore, the greatest opportunity for improved efficiency may be through the reduction or reallocation of personnel. We analyzed the number of support personnel per FTE student and found that it varies significantly among the campuses. For example, in the GAS category Binghamton has 1 employee for every 132 FTE students while Stony Brook has 1 employee for every 69 FTE students. In the GIS category the variance is much narrower; Binghamton has 1 employee for every 90 FTE students while Stony Brook has 1 employee for every 56 FTE students. Similar variances exist within the other college groupings.

SUNY has not determined why these differences exist or what impact they have on SUNY's overall mission of providing the "people of New York educational services of the highest quality, with the broadest possible access" (which logically encompasses affordability). Without established standards for accepted levels of expenditure and periodic monitoring and analysis of support service costs, SUNY, the Board of Trustees, the Legislature, the Governor and the people of New York State cannot be sure costs are reasonable and necessary.

Recommendations

1. Establish expenditure standards for support service costs.

2. Analyze campus support service costs, investigate variances among campuses, and where necessary, make reductions or reallocations to ensure the most efficient use of resources.

Opportunities Exist for Cost Efficiencies

We made such analyses at specific campuses, the results of which demonstrate the potential for significant cost savings.

As stated previously, SUNY does not perform detailed analyses of support service costs to identify cost variances among the campuses which may indicate that some campuses have more efficient operations. We made such analyses at specific campuses, the results of which demonstrate the potential for significant cost savings. Specifically, we selected campuses based on student body size and institutional mission for comparison and further analysis. This included the four university centers, as well as Fredonia and Potsdam. We selected several functional units (e.g. purchasing, payroll, finance, etc.) within the GAS category and the GIS category for further review. We used several criteria in addition to FTE students to analyze and compare campus operations such as student headcount enrollment, number of transactions processed and number of clients serviced. We used the available criteria most related to the functional area under review. Our analysis and conclusions suggest that some units at some campuses are operating more efficiently than others and that SUNY should further investigate these differences.

Cost Per Student Varies Significantly

Based on our comparisons we estimate that SUNY could achieve cost savings totaling almost $10 million.

Based on our visits to the four universities and two colleges we made three comparisons: Buffalo/Stony Brook, Albany/Binghamton and Fredonia/Potsdam. These campuses were paired because they are similar in size and mission. The comparisons were on a cost per student basis because students are the major focus of SUNY's service efforts and overall mission. The comparisons were made for both GIS and GAS expenditures and included adjustments for some expenditures to ensure the information used was comparable. Based on our comparisons we estimate that SUNY could achieve cost savings totaling almost $10 million annually. The following illustrates how these savings were calculated.

During fiscal year 1989-90 Buffalo spent approximately $31 million on support service costs, $11 million on GAS and $20 million on GIS. Stony Brook spent approximately $21 million on support service costs, $11 million on GAS and $10 million on GIS. However, some of Stony Brooks computer costs are charged directly to the various departments, while all of Buffalo's are charged to GIS. To make the cost of the universities more comparable, we removed computer services data from our analysis. Given this adjustment, during fiscal year 1989-90 Buffalo

spent approximately $21.4 million on support services not including computer services: $11.2 million on GAS and $10.2 million on GIS. Stony Brook spent about $19.7 million, $10.8 million in GAS and $8.9 million on GIS.

We determined that Buffalo spends $934 per FTE student in support service cost while Stony Brook spends $1,417, approximately 52 percent more. Buffalo's GAS costs per FTE student were $488 while Stony Brooks were about $782 (60 percent higher). GIS costs at Buffalo were $446 per FTE student compared to $635 per FTE student or 42 percent more at Stony Brook. If Stony Brook could function at the same cost per FTE student as Buffalo it would need only $13 million in support service cost, a savings of approximately $7 million.

During fiscal year 1989-90 Albany spent almost $15 million on support service costs, $6 million on GAS and $9 million on GIS. Binghamton spent approximately $8 million on support service costs, split almost equally between GAS and GIS. However, Binghamton's computer costs are charged to the various user departments while Albany's are charged to GIS . To make the universities more comparable we removed computer services from our analysis. Given this adjustment, during fiscal year 1989-90 Albany spent approximately $11.1 million on support services not including computer services, $5.9 million on GAS and $5.2 million on GIS, while Binghamton spent $7.6 million, $4 million on GAS and $3.6 million on GIS.

Binghamton spends about $692 per FTE student on support service cost while Albany spends $820, approximately 18 percent more. Binghamton's GAS costs per FTE student were $365 while Albany's were $432 (18 percent higher). GIS costs at Binghamton were $327 per FTE student compared to $388 per FTE student at Albany or 19 percent more. If Albany could function at the same cost per FTE student as Binghamton it would need approximately $9.4 million in support service cost, a savings of approximately $1.7 million.

During fiscal year 1989-90 Fredonia spent almost $3.2 million on support service costs, $1.8 million on GAS and $1.4 million on GIS. Potsdam spent approximately $5 million on support service costs, $2.4 million on GAS and $2.6 million on GIS.

Fredonia spends $699 per FTE student on support service cost while Potsdam spends $1,228, approximately 76 percent more. Fredonia's GAS costs per FTE student were $393 while Potsdam's were $579 (47 percent higher). GIS costs at Fredonia were $306 per FTE student compared to $649 per FTE student or 112

percent more at Potsdam. One reason Potsdam's costs are higher than Fredonia's is that in the category of GAS Potsdam spent approximately $212,000 to upgrade its computer equipment during fiscal year 1989-90. Also, Potsdam charges all computer service costs ($490,000) and all telephone service costs except toll calls ($279,000) to GIS while Fredonia charges user departments for these services. To make the institutions more comparable we removed the cost of computer upgrades, computer services and telephone services from our analysis. Given this adjustment, during fiscal year 1989-90 Potsdam spent approximately $4 million or $987 per FTE student on support service costs. Potsdam still spent $288 more per FTE student than Fredonia. If Potsdam could function at the same cost per FTE student as Fredonia it would need approximately $3 million in support service costs, a savings of approximately $1 million.

Significant Variances Exist in the Cost of Functions Performed at the Campuses

... we found that the six campuses visited may have the opportunity to reduce support service staff by 120 FTE's to achieve cost savings of over $3.7 million annually with additional savings of $350,000 in OTPS costs.

We reviewed information for some of the functions performed at each campus visited. We then compared how these functions are performed at similar campuses using information such as number of students, number of employees, number of transactions processed, units of output, and other units of measure. Based on the information reviewed and the comparisons made, we found that the six campuses visited may have the opportunity to reduce support service staff by 120 FTEs to achieve cost savings of over $3.7 million annually with additional savings of $350,000 in OTPS costs. Even those campuses with lower overall cost also had opportunity for savings by performing some functions more economically. The potential savings may be much higher as we did not review all functions and we took a very conservative approach in identifying savings. The following are summaries of the potential savings identified by our study. Details necessary to follow-up on the matters presented in this section have been provided to SUNY officials.

Buffalo/Stony Brook Comparison

We gathered information on approximately 15 GAS accounts and 5 GIS accounts at both campuses. We did not identify savings for all functions reviewed because the costs of some functions at both campuses were comparable. Based on the information we gathered and the comparisons made we found that Stony Brook may have the potential to reduce support service staff by about 69 FTEs to achieve cost savings of almost $2.2 million in personal service and an additional $50,000 in OTPS for a total of almost $2,250,000. Buffalo may have the opportunity to save about 2 FTEs at almost $57,000 and OTPS of about $206,000 for a total of over $263,000. The following table illustrates where there are opportunities for savings.

	STONY BROOK		BUFFALO	
Functional Area	Personal Service	OTPS	Personal Service	OTPS
President's Office	$ 366,000	$ 0	0	$ 78,500
Chief Academic Office	396,500	13,000	0	0
Finance & Management	320,000	0	0	0
Accounting	75,000	10,900	0	0
Purchasing	114,500	27,000	0	0
Accounts Payable	277,900	0	0	0
Payroll	85,000	0	0	18,500
Personnel	22,700	0	0	36,400
Student Billing	233,400	0	0	73,100
Automotive Services	0	0	56,900	0
Central Duplicating	176,400	0	0	0
Mail and Messenger Services	120,800	0	0	0
TOTAL	$2,188,200	$50,900	$56,900	$206,500

The following are some examples of our methodology for analyzing and identifying opportunities for cost savings as shown in the above table.

President's Office

The functions of the President's Office at both campuses are generally the same. The President is the chief administrative officer of the university and is responsible to the Chancellor and the Board of Trustees for the operation of the campus. The President administers the university and promotes its development. Stony Brook maintains a President's Office staff of

14.3 FTEs costing $717,000 per year to service 16,630 students. Buffalo maintains a staff of 11.5 FTEs at a cost of $553,000 per year to service 27,069 students. Stony Brook's staff exceeds Buffalo's staff by 2.8 FTEs (24 percent) but services 10,439 less students. Each Stony Brook FTE staff services 1,163 students. Each Buffalo FTE staff services 2,354 students. If Stony Brook could service the same number of students per FTE staff as Buffalo does Stony Brook could function with 7 FTEs in the President's Office. Stony Brook would be able to reduce its FTEs by about 7 and save approximately $366,000.

During fiscal year 1989-90, Stony Brook spent approximately $131,715 ($7.90 per student) on other than personal service costs while Buffalo spent $292,921 ($10.80 per student). If Buffalo could operate at the same cost per student as Stony Brook it could achieve a cost savings of about $78,500.

Chief Academic Office

Stony Brook has more FTE staff than Buffalo yet services less students.

The Chief Academic Officer has the overall responsibility for the quality of the academic programs of the university. The functions of the Chief Academic Offices are essentially the same at both institutions except Stony Brook's Academic Office has overall responsibility for the Medical School. However, since the day to day activities of the Medical School are supervised by the Vice President for Health Sciences, this difference does not appear material. Stony Brook staffs its office with 16 FTEs costing approximately $793,000 annually. Stony Brook services 16,630 students for an average FTE workload of 1,039. Buffalo staffs its office with 12.55 FTEs at a cost of more than $537,000 annually. Buffalo services 27,069 students yielding an average FTE workload of 2,157. Stony Brook has more FTE staff than Buffalo yet services less students. If Stony Brook could achieve the same average workloads as Buffalo (2,157 students per staff) they could function with 8 FTEs, thereby, creating a cost savings opportunity of about 8 FTEs at $396,500.

During fiscal year 1989-90, Stony Brook spent approximately $146,000 on other than personal service costs in the Academic Office while Buffalo spent $59,000. The majority of the difference was in the area of contractual services where Stony Brook spent $54,000 for Graduate Tuition Waivers above and beyond what was originally budgeted and $43,000 for the distinguished lecture series. Assuming these are extraordinary items, we deleted these costs and calculated that Stony Brook spent $49,000 or $2.95 per student and Buffalo spent $2.18 per student. If Stony Brook could operate at the same OTPS cost per student as Buffalo, Stony Brook would need approximately

$36,000 yielding a potential cost savings of $13,000.

Finance and Management

This area provides policy guidance and financial leadership for the University. It provides student, employee and financial services to the University community, oversees the financial integrity of the University and provides information essential to campus decision making. To achieve functional similarity for our analysis we had to add Buffalo's VP for University Services and their Controller to compare to Stony Brook's Office of the Vice President for Finance and Management which includes the VP for Finance and the Controller. Stony Brook utilizes a staff of 12.5 FTEs at a cost of approximately $534,000 to provide financial leadership to a university comprised of 16,630 students. Buffalo commits a staff of 8 FTEs costing $476,000 to provide the same service to 27,069 students. If Stony Brook could achieve the same ratio of students served per FTE as Buffalo, then Stony Brook would only need a staff of about 5 FTEs providing a potential savings of 7.5 FTEs and $320,000.

Accounts Payable

Our analysis indicates that Stony Brook has 73 percent more staff than Buffalo, yet processes about 8 percent less transactions.

The Accounts Payable office at both universities is responsible for payment activity related to the procurement of goods and services for the university. Stony Brook staffs its office with 29 FTEs at an annual cost of $592,682 while Buffalo staffs its office with 16.75 FTEs at a cost of $392,150. During fiscal year 1989-90 Stony Brook processed 33,384 transactions and Buffalo processed 36,405. Our analysis indicates that Stony Brook has 73 percent more staff than Buffalo, yet processes about 8 percent less transactions. If Stony Brook were to operate at the same number of transactions per staff as Buffalo they would need about 15 FTEs to process 33,384 transactions. Therefore, Stony Brook would have the opportunity to reduce staffing by about 14 FTEs and save approximately $278,000.

Student Billing and Cashiering

This function at both universities includes rendering billings, receiving and depositing tuition and fees, managing delinquent accounts, processing financial aid payments to individual accounts and providing information to students, parents and university departments. During fiscal year 1989-90 Buffalo performed this function with 31 FTEs which serve 27,069 students at an annual cost of $829,865. Stony Brook performs these functions with 29 FTEs which serve 16,630 students at a cost of $676,992. On a student per FTE staff basis, Buffalo served

873 students per staff while Stony Brook served 573 students for each staff FTE. If Stony Brook could achieve the same student per staff ratio as Buffalo it would need 19 FTEs to serve its student population. Consequently, Stony Brook would be able to save 10 FTEs or $233,400.

Based on our analysis, Buffalo, on a per student basis, spends almost twice as much on OTPS as Stony Brook ($5.99 vs $3.29).

During fiscal year 1989-90 Buffalo spent $162,260 on OTPS costs and Stony Brook spent $54,768. These figures do not include the cost of computer services or equipment purchases because at Buffalo computer service costs are charged to GIS while at Stony Brook they are charged back to the user departments. These figures also do not include equipment purchases because at both universities equipment purchases are generally a one-time occurrence and do not reflect annual needs. To make the two universities similar for comparison purposes we eliminated the cost of computer services from Stony Brook and equipment purchases from both universities. Based on our analysis, Buffalo, on a per student basis, spends almost twice as much on OTPS as Stony Brook ($5.99 vs $3.29). If Buffalo were able to reduce its OTPS costs to Stony Brook's cost per student then Buffalo would have an opportunity for a saving of about $73,100.

Central Duplicating

During fiscal year 1989-90, Buffalo used 26 FTEs at a cost of $517,390 to provide printing and photocopy service to the campus. During the year Central Duplicating staff made 37,909,220 impressions. During the same period Stony Brook used 21 FTEs at a cost of $617,336 to make 21,498,664 impressions. If Stony Brook could have functioned at the same ratio of impressions per staff as Buffalo then Stony Brook would have needed only 15 FTEs. Therefore, it could have saved 6 FTEs at a cost of $176,400.

Mail and Messenger Service

Both campuses provide mail and messenger service to university departments and organizations. This service includes delivery of incoming mail for staff and students, pick-up and sorting of outgoing mail and collecting, sorting and delivery of all inter-campus mail. During fiscal year 1989-90 Buffalo used 21.25 FTEs at a cost of $482,123 to handle 16,423,483 pieces of mail. For the same period Stony Brook used 17 FTEs costing $410,8-85 to process 9,229,837 pieces of mail. While Buffalo's FTE staff needed to service the campus were 25 percent higher than Stony Brook's, Buffalo processed 78 percent more mail than Stony Brook. If Stony Brook could have achieved the

same productivity level as Buffalo it could have operated with 12 FTEs, thereby providing an opportunity for saving 5 FTEs at a cost of $120,800.

Albany/Binghamton Comparison

We gathered information on 10 GAS and 5 GIS functional units at both campuses. Using similar information and methodology as was used in the Buffalo/Stony Brook comparison, we compared Albany and Binghamton and found that Albany may have the potential to reduce support service staff by about 16 FTEs to achieve cost savings of almost $492,000 in personal service and an additional $12,000 in OTPS. Binghamton may have the opportunity to save 8 FTE staff to achieve potential savings of almost $286,000 in personal service and an additional $74,000 in OTPS. The following table illustrates where there are opportunities for savings.

	ALBANY		BINGHAMTON	
Functional Area	Personal Service	OTPS	Personal Service	OTPS
President's Office	$ 0	$ 0	$ 76,300	$ 0
Chief Academic Office	0	0	130,400	0
Finance & Business	40,200	0	0	0
Budget	123,900	0	0	0
Purchasing	42,900	11,700	0	0
Accounts Payable	0	0	52,200	0
Payroll	85,900	0	0	0
Personnel	112,600	0	0	0
Student Billing	27,100	0	0	0
Bursar	27,900	0	0	0
Automotive Services	31,800	0	0	0
Mail & Messenger Service	0	0	26,900	74,500
TOTAL	$492,300	$11,700	$285,800	$74,500

Fredonia/Potsdam Comparison

We gathered information on 10 GAS and 5 GIS functional units at both campuses. Using similar information and methodology as was used in the Stony Brook/Buffalo comparison we compared Fredonia and Potsdam. Our analysis indicates that Potsdam has the potential to reduce staffing by about 11 FTEs at a savings of approximately $444,000 and Fredonia has the potential to reduce staffing by about 9 FTEs at a savings of approximately $263,000. The following table illustrates where there are opportunities for savings.

	FREDONIA		POTSDAM	
Functional Area	Personal Service	OTPS	Personal Service	OTPS
President's Office	$ 0	$ 0	$238,700	$ 0
Chief Academic Office	67,600	0	0	0
Business Affairs	59,300	0	0	0
Budget	30,500	0	0	0
Accounts Payable	18,400	0	0	0
Payroll	29,500	0	0	0
Personnel	0	0	167,200	0
Student Billing	0	0	19,700	0
Central Duplicating	58,000	0	18,200	0
Mail & Messenger Service	0	0	18,200	0
TOTAL	$263,300	$ 0	$443,800	$ 0

Recommendations

3. Follow-up on the potential cost savings identified by this study and reduce costs where practicable.

STATE UNIVERSITY OF NEW YORK
SUPPORT SERVICE COSTS PER STUDENT
FISCAL YEAR 1989-90

Campus	Total Support Service Expenditures	FTE Students	Expenditures Per FTE Student	Mean (Non-Weighted	Percent Above/ Below Mean Non-wtd)
University Centers					
Albany	$ 14,669,758	13,601	$1,079		-8.7%
Binghamton	8,293,076	10,921	759		-35.8%
Buffalo Center	31,491,276	22,911	1,373		16.4%
Stony Brook	20,979,753	13,880	1,512		28.0%
Subtotal	75,433,863	61,313	1,230	$ 1,181	
Health Science Centers					
Brooklyn	9,701,030	1,505	6,446		-5.8%
Syracuse	5,119,902	893	5,733		5.8%
Subtotal	14,820,932	2,398	6,181	6,091	
Arts & Science Colleges					
Brockport	6,588,588	6,476	1,017		2.9%
Buffalo	6,346,673	9,366	678		-31.4%
Cortland	4,180,474	5,849	715		-27.6%
Empire State	3,616,302	4,287	844		-14.6%
Fredonia	3,182,239	4,580	699		-29.3%
Geneseo	5,270,283	5,009	1,052		6.5%
New Paltz	5,754,058	5,643	1,020		3.3%
Old Westbury	4,050,195	3,237	1,251		26.6%
Oneonta	4,469,974	5,373	832		-15.8%
Oswego	6,298,342	6,833	922		-6.7%
Plattsburgh	5,185,520	5,415	958		-3.0%
Potsdam	5,000,222	4,071	1,228		24.3%
Purchase	4,224,273	2,840	1,487		50.5%
Subtotal	64,167,143	68,979	930	988	
Ag & Tech Schools					
Alfred	3,863,106	3,671	1,052		-3.1%
Canton	2,612,951	2,056	1,271		17.1%
Cobleskill	3,565,349	2,619	1,361		25.3%
Delhi	2,668,092	2,233	1,195		10.1%
Farmingdale	5,168,034	7,093	729		-32.9%
Morrisville	2,694,643	2,970	907		-16.5%
Subtotal	20,572,175	20,642	996	1,086	
Specialized Statutory Colleges					
Ceramics	905,003	687	1,317		-48.2%
Cornell	5,346,336	5,800	922		-63.8%
Env Sci & Forestry	3,561,958	1,208	2,949		15.9%
Maritime	1,907,461	821	2,323		-8.7%
Optometry	1,507,470	277	5,442		113.9%
Utica/Rome	3,753,021	1,622	2,314		-9.1%
Subtotal	16,981,249	10,415	1,630	2,545	
Total	$191,975,362	163,747	$ 1,172		

Exhibit I

Major Contributors to This Report

Marvin Loewy, Audit Manager
Martin Chauvin, Audit Supervisor
William J. Furman, Auditor-in-Charge
Debra Spaulding, Staff Auditor
David Avery, Staff Auditor
Michael Wrobel, Staff Auditor
Paul Bachman, Report Editor

Comments of SUNY Officials

SUNY officials disagree with our observations and recommendations related to the cost of support services. They respond that their current method for allocating resources is efficient and equitable. This method, known as "benchmark," determines overall funding and staffing for each campus. The benchmark uses historical budget factors and other data such as FTE headcounts, sponsored programs and research. Each campus is then responsible for determining how their resources will be utilized.

We believe that this report shows that some campuses are able to provide comparable services in a more economical manner than other campuses. SUNY has designed a system for allocating resources but does not monitor how these resources are actually used. Unless SUNY develops a system to monitor and analyze costs, inefficiencies at the campus level will not be identified and corrected. In fact, SUNY at Buffalo responded that analysis of costs is necessary and comparisons between campuses is an effective way to validate costs.

The full text of SUNY's official response to our draft is included on the following pages. Our detailed notes of clarification to these comments are included as Appendix C.

State University of New York
State University Plaza
Albany, New York 12246
Office of the Senior Vice Chancellor
Division of Administrative Affairs

August 6, 1992

Mr. Roland M. Malan
Assistant Deputy Comptroller
Office of the State Comptroller
The State Office Building
Albany, New York 12236

Dear Mr. Malan:

In accordance with Section 170 of the Executive Law, we are enclosing the comments of State University of New York regarding the Staff Study - State University of New York Should Analyze and Evaluate Support Service Costs (93-D-11).

Sincerely,

Harry K. Spindler
Senior Vice Chancellor
Division of Administrative Affairs

Enc.

Background

The basis for this Staff Study - "State University of New York Should Analyze and Evaluate Support Service Costs" was a previous staff study performed by the Office of the State Comptroller, issued in April 1991, which compared SUNY finances with similar state universities and asserted that SUNY spent more on support services than its peer universities.

This current study then goes on to ask the following question: Why are SUNY's costs for support services higher than other states?

We took exception to conclusions in the initial study and we continue to object to the methodology and techniques employed in the follow-up study as well.

The initial cost study failed to make appropriate comparisons with similar university systems in the country. In making its evaluation, the State Comptroller's cost study selectively excluded certain costs and campuses when their inclusion would have shown SUNY to be cost effective. For example, the study excluded research at SUNY's research centers and all costs of the Health Science Centers, where SUNY's costs are below those at peer institutions. These exclusions delete two of the important missions of SUNY, research and health sciences. Indeed, statistics show SUNY is more cost effective than comparable universities across the country.

Despite all of the demographic considerations peculiar to the larger industrial States, SUNY's costs are only 97% of the national public average. SUNY's costs are only 87% of the seventeen public peer institutions.

The initial report stated on page 8: "The SUNY institutions were neither the most costly nor the least costly institutions in any of the categories." That statement, in itself, confirms that SUNY is not an overly costly institution.

Support Service Costs

In our response to the initial cost study we pointed out that Support Services Costs is one of the 20 functional categories of expense included in national financial surveys and its precise comparability across institutions is doubtful. It tends to be a "catch-all" category and is used differently across institutions and not even uniformly among institutions within the same State.

It is difficult to compare Support Services expenditures with other institutions because of different interpretations of the guidelines for what should be included. Some of the activities which are in the SUNY campuses Support Services category may be included in other areas for non-SUNY institutions. Several SUNY campuses include busing operations in this category, but this is a type of support service that is often operated by an Auxiliary Services Corporation and therefore excluded at non-SUNY institutions.

For example, in the case of SUNY at Buffalo, Support Services includes: academic computing expenditures that have not been recharged to I&DR, IFR activity, Research Foundation costs, endowment management costs, and the bus contract necessary to deal with two campuses.

In a survey of several "peer" campuses cited in the initial OSC study, we have found that these campuses record most of the ISS type costs (computer services, duplication, etc.) in the other major functions. In addition, these campuses in other states appear to offset ISS expenditures with revenues from the sales of these various service-oriented programs or record the sales components in other major functions. Within SUNY there are sizable IFR's (revenue producing activities) used to subsidize these ISS type services but the costs, without recognition of the offsetting revenues are included in the ISS function.

Because SUNY's average aggregate costs are similar to or less than our peers, it suggests that isolating or focusing on a single function and a single measurement can be misleading.

SUNY believes that a comparison of total Educational and General costs is the most valid approach. Selecting only one functional category out of 20 such as Support Services Costs is inappropriate because variability in accounting practices can inflate or depress any single category of expense.

Comments on Current Study - SUNY Should Analyze and Evaluate Support Service Costs

We take exception with the approach utilized by the State Comptroller's audit, namely that of taking the least common denominator and suggesting that all campuses which are higher in one function of expense should be brought to the lower number. State University of New York does not budget by "least common denominator".

The University uses a resource allocation measurement tool known as "benchmark" to determine overall funding and staffing levels for each campus. The benchmark measurements were based on SUNY's historical allocation patterns using quantitative and statistical techniques (i.e., regression analysis), and referencing comparative national data. It attempts to establish overall relative equity among campuses recognizing differences in campus missions, program mix, size and location. The benchmark measures campus-wide Other-Than-Personal Service (OTPS) requirements and separate staffing levels for I&DR faculty; Academic support staff, Maintenance; and General Staff categories. Each category is related to a distinct set of budget factors that have been found to be most significant to workload and performance. A copy of the fifteen page brief description of the current benchmark allocation system is attached. It is comprehensive and assumes that under SUNY flexibility campuses have authority to shift resources among functional categories and to align staff resources as needed. The benchmark indicators show that on an overall basis the University Centers at Buffalo and Stony Brook are comparable (within two percentage points). The budgeting factors are not limited solely to FTE

* Note 1

* See State Comptroller's Notes, Appendix C

enrollment (a measurement of classroom credit hours), but include other factors such as the number of headcount students, the level of sponsored programs and research activity and other factors as well.

SUNY's resource allocation methodology uses FTE students, together with headcount enrollment, costs associated with instruction, research, organized activities, maintenance and sponsored programs to determine staffing needs for the General Staff category. The general staff category incorporates general administration, general institutional services together with libraries and student services. Through regression analysis SUNY determined that staffing requirements for this cluster of functional activity was influenced by the weighted budget factors listed above (i.e. FTE enrollment; headcount enrollment; other costs) and not by a single factor (i.e., FTE enrollment) as was done by the auditor. Furthermore, the SUNY benchmark establishes a core staffing requirement to recognize economies of scale and also includes a geographic cost differential to recognize downstate labor market conditions. For instance, the 1989 construction cost index showed Stony Brook labor market to be 30% higher than the Statewide average.

* Note 2

SUNY decentralizes responsibility to campuses and does not mandate individual department staffing patterns. SUNY allows campus administrators to determine workload requirements at the functional, departmental and office or unit level. SUNY closely monitors the overall amount of funding each campus has to spend, and using "benchmark" establishes funding equity among campuses.

Since 1989-90 SUNY campuses and Central Administration reduced general institutional services staffing by 6.8% and further reduced general administration staffing by 1.9%. Since 1975, general administration staffing has been reduced 418 positions or -18.8% of the 1975 levels.

Specific campus responses follow.

SUNY at Albany

The operations at each campus function under differing organizational assignments of responsibilities, protocols, local expectations as well as the externally imposed requirements and deployment of resources. Each campus has unique support responsibilities to achieve the particular mission and priorities of the particular campus. Although the overall audit objective has merit, ie. that excessive costs should be eliminated, none of the observations made in the report support the conclusions that any office at the University has incurred excessive costs. Nor does the audit give any basis that Albany or Binghamton should be the model for the other campus to match.

The audit adopts an arbitrary position that the campus with the higher number of transactions per FTE is the standard by which the other campus must adjust its staff efficiency and economy. In no one situation was the higher number of FTE acceptable

* See State Comptroller's Notes, Appendix C

• Note 3

because of better, more effective service. It appears that the auditors equate low staffing numbers to effectiveness and efficiency, when in fact such staffing may not be meeting the service level needed by the campus or its clients.

In short, the University at Albany disagrees with the measurement methodology and that specific costs identified in the audit are excessive.

The report indicates that SUNY Central Administration generally does not monitor or evaluate campus use of funds for General Administrative and General Institutional Services. It is true that campuses are provided a good deal of flexibility and, of course, responsibility for administering its resources. However, to charge that SUNY Central Administration does not monitor campus use of its funds at a disaggregated level is incorrect. Throughout the year, SUNY Central Administration monitors campus budget plans and expenditure patterns and, at least annually, works with the campuses to re-project campus financial plans. For example, one area in which SUNY has always had particular interest is the control and use of personal service lines. In each of the last five years, personnel information has been requested at least once during the year for review by SUNY to ensure that lines and funding are being used in accordance with campus and SUNY financial plans.

• Note 4

The report specifies that "Without established standards for acceptable levels of expenditure and periodic monitoring and analysis of support service costs SUNY, the Board of Trustees, the Legislature, the Governor and the people of New York cannot be sure costs are reasonable and necessary". This statement implies that campus funding is not based upon established criteria. In fact, SUNY and the Division of the Budget have a very concrete method of determining the number of personal service lines and non-personal service funding budgeted for the various functions carried out by each campus. This allocation method has evolved over many years as a result of close interaction among SUNY Central, Division of the Budget, and the Legislative fiscal committees.

It should also be noted that SUNY proved itself capable of managing its affairs per confidence placed through the 1985 flexibility legislation. A subsequent review by the Legislative Committee on Expenditure Review supported campus flexibility pointing out where it has benefitted SUNY and the State as a whole. To suggest there is a lack of standards for assignment of resources by SUNY units is erroneous and misleading.

SUNY at Binghamton

It is true that State University at New York's management style is one of decentralization with direction from SUNY Central. In some cases, due to decentralization, there is no similarity between campus departments. This makes it difficult to rationally compare the various departments. At Binghamton University some of the activities performed by the Accounts Payable section (i.e., the review, correction, and distribution of the monthly accounting reports to the departments) may be performed as part of another office at the

• See State Comptroller's Notes, Appendix C

University at Albany (i.e., the Budget Office). In principle, the Auditor's report is expressing that the University at Albany has potential cost savings in their Budget Office and Binghamton University in their Accounts Payable. In essence, had these two departments been combined, the end results would show no potential cost savings. The auditor's report would then be presenting a complete and accurate comparison between the two University departments.

* Note 5

The Auditors' Report splits the Binghamton's Purchasing and Accounts Payable office. In essence, this is really one office reporting to one supervisor, the Director of Purchasing. Some of the staff are cross-trained. Accounts Payable personnel handle vendor inquires and delivery/receiving follow up that might be handled elsewhere in Purchasing if they were separate and distinct offices. Also, during the audit period covered, the Principal Account Clerk in Accounts Payable spent most of her time doing campus accounting work, (i.e., Budgeting) unrelated to Accounts Payable procedures. The Principal Account Clerk reviewed and distributed the monthly accounting/budget reports to departments, reviewed computerized printouts for errors, and worked closely with departments in interpreting and monitoring their accounting reports. A Principal Account Clerk position was lost in the latest round of budget reductions. Thus, using the Comptroller's gross figure and combining Accounts Payable and Purchasing, a different result would be presented. This would be a clear and concise comparison of these two functions at this University.

* Note 6

SUNY at Buffalo

The audit is presented in such a way that the reader is lead to believe that opportunities exist for significant cost efficiencies as a consequence of detailed analyses of support service costs performed by the State Comptroller. The auditors state that "SUNY does not perform detailed analyses of support service costs to identify cost variances among the campuses which may indicate that some campuses may have more efficient operations. We made such analyses at specific campuses, the result of which demonstrate the potential for significant cost savings". This is simply not true. The auditors did not perform detailed analyses. Instead, the auditors reflected the cost of a particular support service in relationship to an arbitrary measure and then compared that from one institution to another. They did not delve into the operation of that service with the management to develop a reasonable and appropriate basis to compare it to another institution. The campuses' responses to the preliminary findings point this out repeatedly; however, the audit report continues to be presented in such a way that this point is totally ignored. The auditors assume that inefficiencies are automatically identified by making a few adjustments to expenditure information, selecting an index which may or may not be an adequate measure of volume, and then developing some unit costs. Statistics of this nature can be helpful when evaluating the cost of an operation, its level of service and volume over time. When attempting to compare costs between two or more campuses, however, there will always be factors besides efficiency responsible for differences. These will in many cases reflect the differences in work flow among offices at the campuses, the

* Note 7

accounting for that service or function, the current emphasis of campus management and the expected level of service to be provided by the unit. Unfortunately, the auditors conclude that "based on our comparisons we estimate that SUNY could achieve potential cost savings at almost $10 million annually". There is no reasonable basis for that statement.

A second point, whether there are assurances for the Board of Trustees, the legislature, the governor and the people of New York that support service costs are reasonable and necessary. The auditors state that "SUNY has not established expenditure guidelines for support service costs and that SUNY does not analyze or evaluate support service costs and consequently there is no assurance that costs are reasonable and necessary". The responsibility for supporting the educational, research and public service missions of each campus with reasonable and necessary support service costs resides at the campus. The Chief Administrative, Academic and Financial Officers of the campuses spend considerable time shaping their budgets to maximize resources for the primary missions of their respective campuses. Annual budgets at the campus level are not just set based on historical funding levels with adjustments for inflation and new additions. Campuses are regularly looking for ways to improve efficiency and effectiveness and reduce costs in order to reallocate funds to critical institutional priorities.

The auditors have totally ignored the existence of national norms and, more importantly, the SUNY benchmarking process. SUNY's benchmark process provides a highly sophisticated, detailed analysis of personnel and other than personnel costs of SUNY campuses with national norms which is then used, in part, to adjust the funding levels at SUNY campuses. Of more significance, however, is the flexibility which each campus has to establish levels of funding to support its primary missions. It is essential for that flexibility to remain and even expand, as is the case this year. Therefore the responsibility for assuring SUNY, the Board of Trustees, the legislature, the governor and the people of New York that support service costs are reasonable and necessary really resides at the campuses. The campuses accept that responsibility and recognize that analysis and review of support service costs is necessary and desirable and that comparison both internally within SUNY and to peer institutions is an effective way to validate those costs.

• Note 8

SUNY at Stony Brook

A critical assumption made in the preparation of the staff study is that campuses within SUNY groupings of University Centers, Four Year Colleges, etc., are sufficiently homogeneous to permit some truth to this assumption. There are sufficient differences across the four University Centers to suggest caution in trying to make simple comparisons. One example is the presence of Health Science Centers at Stony Brook and Buffalo but not at Albany and Binghamton. Even in the case of Stony Brook and Buffalo, Stony Brook has a University Hospital integrated into the operation of the campus while Buffalo does not. A second example is the degree to which significant activity is devoted to graduate research and education.

• See State Comptroller's Notes, Appendix C

The implications of the diversity across the university centers can be seen from the data presented in Exhibit 1. The Exhibit shows that the average Expenditure per FTE Student for the two free standing Health Science Centers (HSC) at Brooklyn and Syracuse was $6,181, compared to $1,230 for the University Centers. Both of these HSCs have a hospital. One might conclude that one reason for the large difference in Expenditure per FTE is because medical education and health care are more costly programs to provide support services for and to operate. Therefore, given that USB also has a full HSC, one would expect its Expenditure per FTE to be higher than a University Center that does not have an HSC (Albany and Binghamton) and incrementally higher than Buffalo which has an HSC but no hospital. Because of the presence of an HSC, one would expect Buffalo to be more expensive than either Albany or Binghamton. This is what the OSC data shows.

* Note 9

The report states, on page 2, that SUNY measures its student enrollment in terms of full-time equivalents (FTE) for budgeting and analytical purposes. What the report does not say is that SUNY uses system-wide benchmarking standards to define academic workload as a function of student classifications, e.g. lower division liberal arts majors require a different level of effort than, say medical students. Students in lecture courses require less resources than those taking laboratory courses, particularly where the laboratories make heavy use of consumable materials.

SUC at Fredonia

The methodology in this audit is flawed since it is based on the assumption that each administrative office with the same title performs exactly the same functions. This assumption is not correct. A detailed analysis of administrative offices with the same general mission would reveal that they do not perform exactly the same function.

National norms using peer data were not used in their review. We do not feel it appropriate to compare individual offices between campuses without determining national norms for these functions. There are significant variations and overlaps between campuses regarding what functions are performed by a given office. These variations are the result of people assigned to an office, campus priority given to an office, inter-relationships with other offices and level of computerization within an office. Failure to take these variables into account or to use peer group information results in only a superficial review lacking balance or perspective.

We feel that the benchmark process used by SUNY provides a more sophisticated analysis of appropriate staffing and OTPS costs of SUNY campuses as compared to national norms. The failure of the audit team to follow up on the SUNY benchmark process is indicative of the superficiality of this audit. The audit compares two campuses which according to the benchmark process are both under-funded in the general administrative and general institutional service area. At best, by omitting SUNY's relative standing with its peers, this report is incomplete. At worst, it is totally misleading.

* Note 10

* See State Comptroller's Notes, Appendix C

The audit states, "We tried to use the criteria most related to the functional area under review". This is not true. For example, in the budget area, the auditors used the number of student per campus. This is an inappropriate measure since the number of students has little relationship to the amount of budget work done. A more relevant indicator would show the number and dollar volume of budgets. The number of students on a campus has little to do with budget preparation and execution - particularly in the financial environment in which we exist.

* Note 11

To assign only one measure of performance to an office is also inappropriate, since this fails to take into consideration the range of responsibilities performed by that office.

Many of the measures the audit team used were incomplete. For example, the audit failed to identify the level of computerization or other functions performed by individuals in departments. In many instances there is a very direct effect on the work load of one department with what another department does. These relationships are evident between offices such as Accounting and Purchasing, Financial Aid and Student Accounts. However, this audit did not consider either the Purchasing or the Financial Aid offices. Without taking these offices into account, the audit is incomplete.

We disagree with the methodology and the basic underlying premise of this audit that individual departments can be compared on a one-on-one basis. Due to all the inter-relationships and overlapping responsibilities, we feel that the only valid comparison is in the total general administrative and general institutional areas.

* Note 12

SUC at Potsdam

We don't believe that a comparison with one other campus that reveals variances between various cost centers creates enough of a pattern to adjust expenditures or change operating procedures. While it is interesting to see who is charged where at other campuses and to make comparisons, detailed job descriptions and analysis would be necessary to effectively identify cost savings. In our opinion, this was not done during this review. We have no objection with the idea that there is potential cost savings in a given area and that this potential should be followed up on. The rationale behind identifying the potential savings is not one Potsdam necessarily subscribes to.

We believe the only way to have compared the two campuses was to have them both present to address the issues of similarities or differences between chief academic officer or business officer, accounts payable and accounts receivable, etc. Albeit far from perfect, this is necessary to compare apples with apples. The performance criteria used by the auditors is questionable in some cases. In some areas, the criteria had no bearing on workload.

* See State Comptroller's Notes, Appendix C

College of Optometry

In response to the OSC draft Staff Study (93-D-11), it should be noted that in Exhibit I, "State University of New York Support Service Costs per Student Fiscal Year 1989-89," the College of Optometry stands out unfavorably within Specialized Statutory Colleges more on the basis of inappropriate classification than on the basis of extravagant Expenditures Per FTE Student. * Note 13

If you were to classify Optometry, a health sciences profession, with the two free-standing Health Sciences Centers, then the comparison would be favorable and more representative.

RECOMMENDATIONS

(OSC) 1. Establish expenditure standards for support service costs.

(OSC) 2. Analyze campus support service costs, investigate variances among campuses, and where necessary, make reductions or reallocations to ensure the most efficient use of resources.

(SU) 1,2. We disagree for reasons previously stated regarding the "benchmark" process of budgeting. * Note 14

(OSC) 3. Follow-up on the potential cost savings identified by this study and reduce costs where practicable.

(SU) 3. The University has made extensive reductions in costs. See our previous comments.

* See State Comptroller's Notes, Appendix C

The Benchmark

Introduction

The University has employed several methodologies throughout its history in order to allocate resources among the campuses in an efficient and equitable manner. The allocation technique has varied in order to reflect the particular governance structure of the time period -- either a more centralized or decentralized system. Under flexibility, each campus has broad authority to shift funds among objects-of-expense or functional cost categories. In order to preserve this authority, it is important that campuses not be subject to intrusive second-guessing of their decisions to transfer allocations from one area to another. Thus, the review of campus budgets by central administration (and by the State) should normally be at a broad level to assure compliance with guidelines and standards.

Maintaining the above structure requires a broad measure of each campus's funding level, relative to other campuses and to overall funding objectives, for use in the budget development process and in setting allocations. The benchmark methodology has been developed in order to serve this purpose.

The benchmark methodology is an overall statement of the relative funding and staffing level for each campus. It has been based upon SUNY's own historical allocation patterns, using quantitative and statistical techniques, but referencing national comparative data and other institutional practices when available. While intended to be as comprehensive as possible, it is also designed to be relatively simple to understand and maintain. Over time, as the Benchmark has undergone a series of modifications and improvements, it has become generally accepted by campuses as a reasonable measure of relative funding and as a tool for determining equity.

The methodology is built around an other than personal service (OTPS) model and the following categories of staff:

I&DR Faculty
Academic Support Staff
General Staff
Maintenance Staff

Each category is related to a distinct set of factors that have been determined to be most significant to workload and performance.

The benchmark is used for targeting budget requests, making allocations of University funds among campuses, and (when necessary) distributing expenditure reductions. However, it is seldom the sole criterion or basis for making these decisions.

The University adopted a policy of moving campuses into a narrow band around the University-wide average over a period of three to five years, through the allocation and request process. Campuses within this "average-band" were not treated differentially during allocations. During 1991-92 all except two campuses were brought within the narrow band. The benchmark is also used to identify special issues of funding, enrollment and mission. These issues involve campuses where individual differences are not adequately explained or reflected by the benchmark model.

The following sections describe in more detail the actual derivation of each benchmark category. These techniques have evolved over the years as refinements have been made and conditions have changed. For all categories except I&DR Faculty, multiple regression has been used extensively to identify and weight the significant workload factors.

I&DR Faculty

The Instruction and Departmental Research (I&DR) faculty model has existed in close to its present form for over ten years. The model is a refinement of the single student/faculty ratio technique for estimating faculty needs, but it reflects an institution's disciplinary and student level mixture. The faculty staffing model uses a matrix of ten academic disciplines and four course levels (lower and upper division, first and second graduate degree programs), with student/faculty ratio standards in each of the resulting forty cells.

The estimate of faculty needed for a campus depends on the following:

- the various academic disciplines available at the institution and the amount of enrollment in each;
- the level of instruction offered by the institution and the enrollment at each level;
- the student/faculty ratio standards in each cell of a forty cell matrix (4 course levels times 10 academic disciplines);
- the expected current and future enrollment of the institution.

The enrollment in each cell is divided by the standard student/faculty ratio within each cell to produce an estimate of the faculty lines needed. The sum of all the cells provides a campus total which may be higher or lower than the campus actual.

The Colleges of Technology and Agriculture faculty staffing model is developed along similar lines by simply adding nine additional discipline categories representing two-year, technical education areas.

Academic Support Staff

The Academic Support section estimates the staffing needs in the areas of Instruction and Departmental Research (I&DR) Support, Organized Research, Organized Activities and Clinics, and Extension and Public Service. Weighted FTE enrollment per

support staff and sponsored program funding per support staff are combined with a core staff to determine the modeled need. The student FTE enrollment is weighted by student level and type of instruction.

General Staff

In addition to a core staff, the General Staff model uses a number of ratios including: FTE enrollment per staff, student headcount per staff and the total costs associated with I&DR, organized research, organized activities, maintenance and sponsored programs to determine the modeled staffing level.

Maintenance Staff

The Maintenance Staff model uses active non-residential net square feet per staff to estimate the M&O staffing need. Adjustments are made for the complexity of maintaining health science center space and for the staff required to support campus power and water/sewage plants.

Other Than Personal Service

The model for Other Than Personal Service (OTPS) estimates the need using cost per weighted student and cost per weighted staff factors. The student FTE enrollment is weighted by student level and by type of instruction. The three types of instruction are: laboratory and fine arts in which laboratory or studio activities are central and equipment and supply costs are very substantial; other laboratory, math and computer science programs where equipment and supplies costs per student are moderate; and humanities, social science, business, education, psychology and other programs, where equipment and supplies costs are more modest. The instruction levels are lower division, upper division, beginning graduate, advanced graduate and medical/dental. Staff is weighted differentially between state purpose and other funds as staff in hospitals and residence halls are considered to impact the education and general OTPS requirements but at a much lower level.

Special Mission Adjustments

In recognition of the unique status of special programs at campuses, the allocation associated with these programs is added to the modeled allocation. Special mission adjustments are made for the farms, the Maritime training vessels, the Performing Arts Center and Museum at Purchase, rent, busing, accessory instruction and clinic activity (see ATTACHMENT C for a complete list).

March 1992 Benchmark Changes

Modification to the financial structure of the University resulting both from recent cuts and the way the University operates certain programs (summer session, parking, etc.), suggests a need for substantial changes in the method of making allocations. In particular, the elimination of position controls and the increasing emphasis on all-funds budgeting suggest the need for an allocation method that is less dependent upon FTE position allocations. Development of a methodology that meets these challenges will require several months or a year, including extensive consultation with campuses. Thus the current allocation must be handled, as far as possible, within the existing benchmark structure. Some adjustments are needed, however, in order to reflect the following:

- 1991-92 Financial Plan allocations
- The phase-in of average salary and wages by campus type within the Benchmark
- Changes to campus enrollment plans

1991-92 Financial Plan Allocations

The March 1992 benchmark has been updated to reflect the 1991-92 Financial Plan as well as changes in facilities (square footage). However, the implementation of the Financial Plan itself, in particular the way in which reductions were managed, has introduced the need for adjustments to the benchmark methodology itself.

The adjustments are needed because some of the mechanisms available to campuses for taking their budget reductions in the 1991-92 financial plan affected the reliability of the benchmark. Among these were the GA/TA transfer, early retirement, the summer session IFR, utility allocations and - most especially - any change in personal services regular (PSR) which did not correspond exactly to FTE changes. All of these management decisions caused changes in funding which were not necessarily measured accurately by the benchmark.

The largest distortion was caused when FTE positions were not reduced at the campus average salary. In the case of early retirement, for example, several campuses had the option of reducing PSR with no decrease in FTE positions. Since the benchmark measures resource availability through positions rather than PSR dollars, this cut is not detected by the old benchmark. Without some adjustment, such a campus could now easily lose these funds a second time through a larger benchmark cut as a result of a more positive funded vs. modeled relationship.

Average Benchmark Salaries

The proposed solution to this problem is to modify the benchmark so that it measures the campus resource envelope in terms of funding instead of staffing. This has been accomplished by introducing an average PSR per FTE position for each of the benchmark categories. The average "salary" is the same for all campuses in the categories of Academic Support, General Staff, and Maintenance and Operation of Physical Plant. Differential salaries are proposed for the University Centers (excluding Health Science Faculty), Health Science Faculty, University Colleges, and the Technological and Agricultural Colleges.

Given the impact of this change, the average benchmark range is being continued at plus-or-minus two percent. Furthermore, the average salary is being selectively phased in over two years when necessary to bring campuses closer to or within the average benchmark range. An attachment displays the 1992-93 average benchmark salaries.

Campus Enrollment Plans

The revised benchmark applies the current 1992-93 campus enrollment plans except for campuses outside the average benchmark range (plus-or-minus 2%). In these cases the 1995-96 plans are used if they bring the campus benchmark closer to or inside the average range.

Utilities

Since the modified benchmark measures total funded allocation vs. modeled allocation, the utilities object has been included. The 1991-92 financial plan utilities allocation was used prior to any campus internal reallocations. In the future, a method will be developed to model the utilities allocation.

Benchmark Attachments

A. Summary of Benchmark Factors
B. Normative Student/Faculty Ratios
C. Special Mission Adjustments
D. March 1992 Benchmark

Summary of Benchmark Factors

Faculty

The number of faculty FTE is derived by applying the normative student/faculty ratios to FTE enrollment by level and discipline (see ATTACHMENT B)

Academic Support

Core Staff	10
Sponsored Programs Core	
• Arts and Science College, Utica, Farmingdale	2.0
• Technologies, Maritime, Optometry, ESF	.5
Sponsored Programs (Direct Cost) per Staff	$965,000
Weighted FTE Enrollment per Staff	72

Weighted FTE Enrollment is derived by grouping the FTE enrollment by discipline into the following categories:

Heavy	Other
Biological Sciences	Business and Management
Physical Sciences & Engineering	Psychology
Agricultural & Natural Sci. Tech.	Business & Comm. Technology
Health Science & Paramed. Tech.	Comm. & Design Technology
Mech. Eng. & Agr. Eng. Tech.	Public Service Technology
Fine & Applied Arts	Education
	Education Technology
	Social Sciences
	Foreign Languages
	Math & Computer Science
	Data Processing Technology
	Foods & Home Ec. Technology
	Other

The FTE Enrollment by Level and Group is then weighted as follows:

	Heavy Staff	All Other Disciplines
Lower Division	1.5	1.0
Upper Division	1.5	1.0
Graduate 1	6.0	1.5
Graduate 2	15.0	8.0
Medical/Dental/Optometry	20.0	N/A

General Staff

Core Staff:	35
FTE Enrollment Per Staff:	70
Headcount Enrollment Per Staff:	175
Sponsored Program (Direct Cost) Per Staff	$700,000
Other Costs Per Staff	$395,000

Maintenance

Staff Per Power Plant	10
Net Square Feet Per Staff:	9,000

Health Science NSF is increased by 20% due to complexity of space.

Average Salaries

The Benchmark modeled FTE were converted to allocation based on the following average salaries (000's omitted):

	Faculty	Academic Support	General Staff	M&O Staff
University Centers excluding HSC Faculty	$53.7	$35.7	$35.0	$25.0
Health Science Centers	73.7	35.7	35.0	25.0
University Colleges, Maritime, Utica/Rome	44.1	35.7	35.0	25.0
Empire State	50.0	35.7	35.0	25.0
Environmental Science & Forestry	58.2	35.7	35.0	25.0
Optometry	67.7	35.7	35.0	25.0
Colleges of Technology	40.0	35.7	35.0	25.0

OTPS Benchmark

The Weighted FTE Enrollment is derived by grouping the FTE Enrollment by Discipline into the following categories:

	Heavy OTPS	Medium OTPS	All Other Disciplines
Lower Division	5	2	1
Upper Division	7	5	2
Graduate 1	12	11	4
Graduate 2	21	21	8
Medical/Dental	26	-	-

The Weighted FTE Staff is derived by applying the following weights to the FTE Positions:

Total State Purpose	5
Hospital/Residence Halls	1

The following factors are then applied:

OTPS Per Weighted Student	$172
OTPS Per Weighted Staff:	$500

NORMATIVE STUDENT/FACULTY RATIOS
USED IN THE STATE UNIVERSITY FACULTY MODEL

PART I
NORMATIVE STUDENT/FACULTY RATIOS
ALL UNIVERSITY CENTERS, ENVIRONMENTAL SCIENCES & FORESTRY

DISCIPLINE AREAS	LOWER DIVISION	UPPER DIVISION	BEGINNING GRADUATE	ADVANCED GRADUATE
BIOLOGICAL SCIENCES & HEALTH PROFESSIONS	28.80	10.00	8.00	3.80
BUSINESS & MANAGEMENT	30.60	20.00	15.00	5.70
EDUCATION	22.50	17.00	15.00	5.70
FINE & APPLIED ARTS	18.90	10.00	7.00	6.65
FOREIGN LANGUAGES & LETTERS	17.85	14.00	10.00	6.65
MATHEMATICS & COMPUTER SCIENCE	27.20	15.00	10.00	5.70
PHYSICAL SCIENCES & ENGINEERING	24.30	15.00	8.00	5.70
PSYCHOLOGY	40.50	20.00	10.00	6.65
SOCIAL SCIENCES	30.60	18.00	10.00	6.65
OTHER	17.00	17.00	20.00	9.50

PART II
NORMATIVE STUDENT/FACULTY RATIOS
UNIVERSITY COLLEGES, TECHNOLOGY AT UTICA/ROME

DISCIPLINE AREAS	LOWER DIVISION	UPPER DIVISION	BEGINNING GRADUATE	ADVANCED GRADUATE
BIOLOGICAL SCIENCES & HEALTH PROFESSIONS	25.20	10.00	8.00	3.80
BUSINESS & MANAGEMENT	27.00	20.00	15.00	5.70
EDUCATION	20.70	17.00	15.00	5.70
FINE & APPLIED ARTS	16.20	10.00	7.00	6.65
FOREIGN LANGUAGES & LETTERS	17.85	14.00	10.00	6.65
MATHEMATICS & COMPUTER SCIENCE	23.80	15.00	10.00	5.70
PHYSICAL SCIENCES & ENGINEERING	22.50	15.00	8.00	5.70
PSYCHOLOGY	31.50	20.00	10.00	6.65
SOCIAL SCIENCES	27.00	18.00	10.00	6.65
OTHER	17.00	17.00	10.00	0.00
PURCHASE: RATIOS IN FINE AND APPLIED ARTS=========>	14.58	9.00	6.30	5.99
UTICA/ROME: UPPER RATIO IN PHYSICAL SCIENCES AND ENGINEERING=========>		12.00		

PART III
NORMATIVE STUDENT/FACULTY RATIOS
COLLEGES OF TECHNOLOGY & AGRICULTURE

DISCIPLINE AREAS	LOWER DIVISION	UPPER DIVISION	BEGINNING GRADUATE	ADVANCED GRADUATE
NON-TECHNOLOGIES				
BIOLOGICAL SCIENCES & HEALTH PROFESSIONS	21.60	10.00	0.00	0.00
BUSINESS & MANAGEMENT	27.00	20.00	0.00	0.00
EDUCATION	20.70	17.00	0.00	0.00
FINE & APPLIED ARTS	13.50	10.00	0.00	0.00
FOREIGN LANGUAGES & LETTERS	17.85	14.00	0.00	0.00
MATHEMATICS & COMPUTER SCIENCE	20.40	15.00	0.00	0.00
PHYSICAL SCIENCES & ENGINEERING	18.00	15.00	0.00	0.00
PSYCHOLOGY	27.00	20.00	0.00	0.00
SOCIAL SCIENCES	22.50	18.00	0.00	0.00
OTHER	15.00	17.00	0.00	0.00
TECHNOLOGIES				
AGRICULTURE & NATURAL SCIENCE TECH	16.20	13.50	0.00	0.00
BUSINESS & COMMERCE TECH	19.80	19.80	0.00	0.00
COMMUNICATION, PRINTED MEDIA & DESIGN TECH	18.00	18.00	0.00	0.00
DATA PROCESSING TECH	18.00	18.00	0.00	0.00
EDUCATION TECH	13.50	13.50	0.00	0.00
FOODS & HOME ECONOMICS TECH	18.00	18.00	0.00	0.00
HEALTH SERVICES & PARAMEDICAL TECH	10.80	10.80	0.00	0.00
MECHANICAL & AGRIC ENGINEERING TECH	14.40	12.00	0.00	0.00
PUBLIC SERVICE TECH	22.50	22.50	0.00	0.00

PART IV
NORMATIVE STUDENT/FACULTY RATIOS
MARITIME COLLEGE

DISCIPLINE AREAS	LOWER DIVISION	UPPER DIVISION	BEGINNING GRADUATE	ADVANCED GRADUATE
BIOLOGICAL SCIENCES & HEALTH PROFESSIONS	21.60	10.00	8.00	3.80
BUSINESS & MANAGEMENT	27.00	20.00	15.00	5.70
EDUCATION	20.70	17.00	15.00	5.70
FINE & APPLIED ARTS	13.50	10.00	7.00	6.65
FOREIGN LANGUAGES & LETTERS	17.85	14.00	10.00	6.65
MATHEMATICS & COMPUTER SCIENCE	20.40	15.00	10.00	5.70
PHYSICAL SCIENCES & ENGINEERING	14.40	12.00	8.00	5.70
PSYCHOLOGY	27.00	20.00	10.00	6.65
SOCIAL SCIENCES	22.50	18.00	10.00	6.65
OTHER	15.00	17.00	10.00	0.00

Special Mission Adjustments

The following adjustments to the benchmark process have been made in recognition of the unique status of these programs or campuses.

Two campuses are not included in the benchmark at this time:

Cornell
Ceramics

The model is adjusted for the following:

	FTE	PSR	TS	OTPS	Total
Albany					
ESIPA	20.0	$511.0			$511.0
Busing	15.0	328.1		66.7	394.8
Buffalo					
Affiliation Contract				3,581.0	3,581.0
Clinic Income	19.9	547.5		182.5	730.0
Empire State					
Rent				1,260.0	1,260.0
Purchase					
Performing Arts/Museum	18.5	694.3	72.7	300.8	1,067.8
Env. Sci. & Forestry					
Accessory Instruction				3,113.3	3,113.3
Maritime					
Ships	22.1	739.8	87.0	170.2	997.0
Optometry					
Rent				5,783.3	5,783.3
Clinic Income	30.0	1,301.0		249.0	1,550.0
Alfred					
Busing				234.7	234.7
Cobleskill					
Farm	6.5	157.6		43.4	201.0
Morrisville					
Farm	6.5	133.1	15.0	100.0	248.1
Sewage & Water				10.0	10.0

MARCH 1992 BENCHMARK PROCESS

MODELED ALLOCATION BASED ON AVERAGE SALARIES

* 992-93 Planned Enrollment or 1995-96 if appropriate

	CURRENT CAMPUS BENCHMARK ALLOCATION *	TOTAL % VAR FROM MODEL	MODELED FACULTY ALLOCATION	ACADEMIC SUPPORT ALLOCATION	GENERAL STAFF ALLOCATION	MAINTENANCE STAFF ALLOCATION	OTPS & UTILITIES ALLOCATION	SPECIAL MISSION ADJ.
Albany	93,397.7	-14.7%	48,759.6	15,301.0	19,299.0	7,190.0	17,989.8	905.8
Binghamton	71,273.0	-15.8%	37,751.1	11,270.5	14,133.0	6,362.5	15,098.1	0.0
Buffalo Center	203,438.3	-16.1%	109,161.5	35,967.8	34,490.5	15,990.0	42,513.3	4,311.0
Stony Brook **	167,040.5	-14.1%	80,611.5	26,906.6	27,089.1	15,274.0	44,606.5	0.0
HSC Brooklyn ** (1)	58,662.6	-16.0%	37,274.5	10,127.9	7,549.3	3,459.5	11,440.2	0.0
HSC Syracuse (1)	39,535.3	-12.5%	22,839.6	7,093.6	5,386.5	2,120.0	7,728.8	0.0
Brockport	35,105.5	-16.0%	16,978.5	4,805.2	8,515.5	4,317.5	7,160.9	0.0
Buffalo	48,659.5	-15.8%	23,240.7	6,583.1	11,735.5	5,172.5	11,056.3	0.0
Cortland (1)	28,562.0	-18.4%	13,843.0	3,905.6	7,238.0	3,775.0	6,223.4	0.0
Empire State #	18,517.8	-15.5%	9,385.0	4,542.9	3,260.7	154.3	3,298.9	1,260.0
Fredonia	25,905.5	-15.5%	11,907.0	3,227.3	6,142.5	3,332.5	6,032.2	0.0
Geneseo	25,287.0	-19.4%	12,700.8	3,295.1	6,244.0	3,365.0	5,759.4	0.0
New Paltz	31,679.4	-17.8%	16,272.9	4,601.7	7,962.5	3,170.0	6,516.5	0.0
Old Westbury **	18,059.6	-13.1%	7,787.2	2,246.5	4,872.3	2,054.5	3,810.8	0.0
Oneonta	28,624.2	-13.2%	13,093.3	3,495.0	7,028.0	3,325.0	6,044.2	0.0
Oswego	34,285.3	-16.6%	16,361.1	4,551.8	8,473.5	4,652.5	7,050.1	0.0
Plattsburgh	28,058.1	-13.2%	12,802.2	3,620.0	7,056.0	3,542.5	5,315.1	0.0
Potsdam	23,623.5	-19.3%	11,245.5	3,066.6	5,915.0	3,645.0	5,402.9	0.0
Purchase	22,648.2	-15.5%	8,290.8	2,341.9	5,054.0	4,155.0	5,896.7	1,067.8
Env Sci & Forestry(1)	22,619.5	-13.2%	8,654.3	3,659.3	4,028.5	1,817.5	4,775.6	3,113.3
Maritime ** (1)	9,261.9	-8.9%	2,494.8	923.7	2,477.8	1,273.1	2,004.9	997.0
Optometry # (1)	16,295.0	-12.8%	3,141.3	3,129.6	2,767.6	174.5	2,149.3	7,333.3
Technology (1)	12,780.9	-14.3%	5,631.6	1,677.9	3,416.0	1,117.5	3,066.5	0.0
Alfred	19,771.0	-14.2%	8,440.0	2,513.3	4,889.5	2,565.0	4,410.5	234.7
Canton (1)	11,100.5	-10.8%	4,256.0	1,520.8	3,335.5	1,257.5	2,069.2	0.0
Cobleskill	14,260.6	-14.1%	5,800.0	1,845.7	3,923.5	1,795.0	3,038.5	201.0
Delhi	13,115.7	-14.2%	4,960.0	1,663.6	3,549.0	1,807.5	3,313.1	0.0
Farmingdale **	32,576.6	-13.0%	15,216.4	4,204.9	8,704.9	2,942.0	6,394.4	0.0
Morrisville	14,251.3	-19.1%	6,160.0	2,020.6	4,161.5	2,015.0	3,004.6	258.1
Ceramics	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Cornell	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Total	1,168,396.0	-15.2%	575,060.1	180,109.5	238,707.6	111,821.8	253,170.7	19,682.0
** Geographic Factors :			109.0%	103.5%	103.5%	103.5%	103.5%	
Empire State Geographic Factors :				101.2%	101.2%	101.2%	101.2%	

The average salary per faculty already includes a geographic factor.

Adjusted 1991-92 Financial Plan Utilities are included in Modeled OTPS.

(1) The 1995-96 AAFTE Enrollment was used.

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MARCH 1992 BENCHMARK PROCESS

Modeled FTE Staff and OTPS based on the Enrollment Indicated

	FTE Enrollment	Modeled Faculty	Modeled Academic Support	Modeled General Staff	Modeled M&O Staff**	Modeled OTPS
Albany	13,902	908.0	428.6	551.4	287.6	$13,066.7
Binghamton	10,900	703.0	315.7	403.8	254.5	10,698.1
Buffalo Center	21,330	1,825.8	1,007.5	985.7	639.6	30,011.5
Stony Brook	14,111	1,245.8	728.2	747.8	590.3	23,697.4
HSC Brooklyn	1,384	464.0	274.1	208.4	133.7	8,023.9
HSC Syracuse	924	309.9	198.7	153.9	84.8	5,821.7
Brockport	6,359	385.0	134.6	243.3	172.7	5,088.4
Buffalo	9,075	527.0	184.4	335.3	206.9	7,006.7
Cortland	5,523	313.9	109.4	206.8	151.0	3,982.9
Empire State	4,185	187.7	125.8	92.1	6.1	3,098.0
Fredonia	4,500	270.0	90.4	175.5	133.3	3,759.4
Geneseo	4,940	288.0	92.3	178.4	134.6	4,021.2
New Paltz	5,874	369.0	128.9	227.5	126.8	5,020.4
Old Westbury	3,237	162.0	60.8	134.5	79.4	2,132.4
Oneonta	5,395	296.9	97.9	200.8	133.0	3,897.2
Oswego	6,792	371.0	127.5	242.1	186.1	5,063.6
Plattsburgh	5,236	290.3	101.4	201.6	141.7	3,967.9
Potsdam	4,460	255.0	85.9	169.0	145.8	3,508.0
Purchase	2,895	188.0	65.6	144.4	166.2	3,018.9
Env Sci & Forestry	1,313	148.7	102.5	115.1	72.7	3,203.7
Maritime	868	51.9	25.0	68.4	49.2	990.3
Optometry	274	46.4	84.7	76.4	N/A	1,427.5
Technology	1,800	127.7	47.0	97.6	44.7	2,079.7
Alfred	3,398	211.0	70.4	139.7	102.6	3,007.2
Canton	1,989	106.4	42.6	95.3	50.3	1,485.2
Cobleskill	2,546	145.0	51.7	112.1	71.8	1,925.8
Delhi	2,144	124.0	46.6	101.4	72.3	1,800.2
Farmingdale	6,281	349.0	113.8	240.3	113.7	4,444.0
Morrisville	2,800	154.0	56.6	118.9	80.6	2,090.3
Ceramics	N/A	N/A	N/A	N/A	N/A	N/A
Cornell	N/A	N/A	N/A	N/A	N/A	N/A
Total	154,435	10,824.4	4,998.6	6,767.5	4,432.0	$167,338.2

Academic Support includes I&DR Support, Organized Activities, Organized Research, Clinic and Extension & Public Service (excluding special mission activities)

General Staff includes Library, Student Services, General Administration and General Institutional Services

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MARCH 1992 BENCHMARK PROCESS
Academic Support and General Staff Factors

	1990-91 Sponsored Programs (Direct)	Weighted FTE Enroll	Special Research Core	Head-count	Total Other Costs
Albany	$33,684.0	27,628	0.0	16,704	$68,818.5
Binghamton	10,555.2	21,221	0.0	12,205	50,645.0
Buffalo Center	59,397.8	67,385	0.0	25,860	163,261.0
Stony Brook	52,698.4	47,776	0.0	17,597	132,480.0
HSC Brooklyn	16,949.9	17,752	0.0	1,513	47,689.1
HSC Syracuse	13,118.3	12,609	0.0	1,042	31,990.2
Brockport	2,570.3	8,635	2.0	9,103	24,386.4
Buffalo	11,470.1	11,554	2.0	11,740	34,437.9
Cortland	1,119.0	6,928	2.0	6,899	20,500.5
Empire State	385.0	8,163	2.0	6,405	13,763.6
Fredonia	949.1	5,574	2.0	4,880	18,566.2
Geneseo	334.2	5,754	2.0	5,195	16,839.9
New Paltz	2,679.4	8,215	2.0	8,400	22,434.6
Old Westbury	1,563.6	3,394	2.0	4,000	11,141.7
Oneonta	1,303.1	6,086	2.0	6,174	20,376.9
Oswego	709.8	8,261	2.0	8,286	24,371.3
Plattsburgh	2,020.2	6,284	2.0	6,377	20,716.4
Potsdam	1,616.8	5,197	2.0	4,549	16,569.6
Purchase	1,342.0	3,759	2.0	4,395	16,182.0
Env Sci & Forestry	4,153.6	6,316	0.5	1,851	17,712.6
Maritime	163.1	1,035	0.5	835	6,314.2
Optometry	402.8	5,310	0.5	270	13,947.9
Technology	1,215.1	2,428	2.0	2,757	7,645.7
Alfred	464.0	4,278	0.5	3,515	13,967.6
Canton	336.4	2,288	0.5	2,388	7,034.2
Cobleskill	656.1	2,916	0.5	2,639	9,765.8
Delhi	236.3	2,583	0.5	2,250	8,935.6
Farmingdale	1,189.1	7,242	2.0	10,032	22,352.8
Morrisville	463.1	3,285	0.5	3,241	9,755.0
Ceramics	N/A	N/A	N/A	N/A	N/A
Cornell	N/A	N/A	N/A	N/A	N/A
Total	$223,745.8	319,856	34.0	191,102	$872,602.2

Academic Support Model Factors:		General Staff Model Factors:	
Core Staff	10	FTE Enrollment per Staff	70
Sponsored Programs per Staff (000's)	$965	Headcount per Staff	175
Weighted FTE Enroll per Staff	72	Other Costs (000's) per Staff	$395
		Sponsored Programs per Staff (000's)	$700
		Core Staff	35

Total Other Costs includes I&DR, Organized Research, Extension, Organized Activities, Maintenance and Clinics

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MARCH 1992 BENCHMARK PROCESS
Maintenance and OTPS Factors

	Non-Res NSF	Inactive NSF	Total Adjusted NSF*	Power Plants	Weighted FTE Enrollment	Total Weighted Staff (FTE)	Adjusted Fin Plan Utilities
Albany	2,408,292	0	2,408,292	2	49,694.0	9,078.9	4,923.1
Binghamton	2,202,979	2,851	2,200,128	1	42,106.0	6,946.4	4,400.0
Buffalo Center	5,492,696	187,092	5,576,705	2	121,369.0	18,372.9	12,501.8
Stony Brook	4,964,700	90,904	5,132,481	2	87,268.0	17,444.2	20,079.7
HSC Brooklyn	928,422	729	1,113,232	1	25,827.5	7,182.3	3,135.5
HSC Syracuse	659,828	23,461	763,640	0	17,766.0	5,544.6	1,907.1
Brockport	1,539,948	75,260	1,464,688	1	18,570.0	3,803.4	2,072.5
Buffalo	1,878,328	15,993	1,862,335	0	25,413.0	5,291.5	4,049.6
Cortland	1,308,323	39,029	1,269,294	1	13,490.2	3,335.5	2,240.5
Empire State	68,591	13,820	54,771		12,973.5	1,744.0	165.1
Fredonia	1,109,922	44	1,109,878	1	13,725.0	2,808.2	2,272.8
Geneseo	1,126,045	4,795	1,121,250	1	14,768.0	2,974.0	1,738.2
New Paltz	1,064,146	12,734	1,051,412	1	18,779.0	3,595.9	1,496.1
Old Westbury	654,853	30,530	624,323	1	6,618.0	1,992.9	1,603.8
Oneonta	1,112,415	5,405	1,107,010	1	13,319.8	3,222.5	2,147.0
Oswego	1,591,712	7,096	1,584,616	1	17,922.0	3,976.1	1,986.5
Plattsburgh	1,188,034	3,181	1,184,853	1	13,645.9	3,252.1	1,347.2
Potsdam	1,266,855	44,528	1,222,327	1	12,665.0	2,669.2	1,894.9
Purchase	1,506,951	100,892	1,406,059	1	10,456.0	2,449.0	2,877.8
Env Sci & Forestry	686,940	32,962	653,978	0	13,132.1	1,901.0	1,571.9
Maritime	355,646	2,841	352,805	1	2,753.6	1,035.3	979.9
Optometry	N/A	N/A	N/A		5,666.2	910.5	671.8
Technology	357,095	133	356,962	0	8,170.6	1,355.5	986.8
Alfred	861,492	28,261	833,231	1	10,987.0	2,243.7	1,403.3
Canton	407,464	0	407,464	0	4,716.3	1,351.5	584.0
Cobleskill	565,735	9,457	556,278	1	6,153.0	1,739.5	1,112.7
Delhi	563,603	2,629	560,974	1	5,987.0	1,545.4	1,512.9
Farmingdale	996,301	62,848	933,453	1	15,103.0	3,704.0	1,794.9
Morrisville	642,814	23,075	619,739	1	7,190.0	1,712.8	914.3
Ceramics	N/A	N/A	N/A		N/A	N/A	
Cornell	N/A	N/A	N/A		N/A	N/A	
Total	37,510,130	820,550	37,532,178		616,234.7	123,182.7	$84,371.7

NSF excludes hospital, residential and leased buildings where the landlord pays for services and is adjusted for inactivespace, custodial & maintenance factors and new building openings

* Health Science Complexity Factor:	20%	
** Campuses with Power Plants have been adjusted by:	10	Staff per Plant
Model Factors:		
Modeled NSF per M&O Staff	9,000	
OTPS per Weighted Student	$172	
OTPS per Weighted Staff	$500	

State Comptroller's Notes

1. SUNY has developed a mechanism to allocate resources to the campuses but has not developed a system to analyze and monitor actual expenditures. Their mechanism utilizes historical costs and other factors. However, one of the primary factors for allocating resources is the number of students which SUNY must educate. Our comparisons of actual cost using the number of students show that some campuses are performing functions more economically than others. If these campuses are utilizing techniques and approaches which result in more efficient operations then these should be identified and shared with other campuses.

2. Our analysis and comparisons focused on the number of employees used to perform similar functions. These comparisons showed that Stony Brook utilizes more employees than Buffalo to perform some comparable functions. The cost of living has no impact on determining the number of people needed to perform various functions. This is evidenced by Farmingdale's (located on Long Island) costs which are much lower than other SUNY campuses.

3. The report does not address the quality or level of service provided by the campuses. However, if one campus is providing more services than another then this situation should be reviewed to determine if the service warrants the cost or if other campuses should be providing similar services.

4. The statements in this and the preceding paragraphs made by SUNY Albany contradict the statement on page 3 of the response in which SUNY Central Administration states that it monitors the overall amount of funding at each campus and allows the campuses to determine workload requirements at the functional level. In fact, SUNY Central disagreed with the recommendation to analyze support services cost at the campus level.

5. Binghamton's response addresses hypothetical situations in attempting to explain why their Accounts Payable Office and Albany's Budget office may be comparable. However, our review addressed the actual functions performed by these units and found the budget functions were not comparable to the accounts payable functions.

6. It appears that Binghamton recognized that there was some overstaffing in the Accounts Payable unit as they state that they eliminated a Principal Account Clerk position from the Accounts Payable unit.

7. The review compared the same functions that are performed at the different campuses. The auditors verified that the number of personnel performing these functions was accurate for comparison purposes. An assumption was made that the services provided were acceptable at each campus and as previously mentioned SUNY should determine if services warrant the cost or if other campuses should be providing similar services.

8. The campuses are responsible for analyzing their expenditures but they should not operate in a vacuum. SUNY Central is in the best position to obtain and analyze operating and expenditure data which can be shared with the campuses to determine if there are more efficient and economical ways to perform similar functions. Buffalo apparently recognizes the usefulness of comparisons as the last sentence of their response states that comparisons within SUNY is an effective way to validate costs.

9. Stony Brook's response states that it is more costly to provide support services at those campuses which have health science centers and hospitals. However, the data shows that some campuses such as Purchase (a four-year Arts and Science College) and Cobleskill (a two-year agriculture and technical college) have costs which are as high or higher than the four-year university centers. Our review recognized there were differences between campuses and therefore we compared similar campuses and also similar functions. For example, a comparison of student billing between Buffalo and Stony Brook would not be impacted by the existence of a hospital but rather is driven primarily by the number of students.

10. The review did not utilize budgeted numbers generated through the benchmark methodology but rather utilized expenditure data to determine how the campuses are actually utilizing the resources allocated by the benchmark method. In addition, the report did refer to SUNY's relative standing with its peers. The report refers to the Staff Study performed by the Comptroller's Office which indicated that SUNY spent $62 million more on support services than its peer universities.

11. Fredonia's overall student population and overall budget is only slightly higher than Potsdams. Therefore, in this case, there is a relationship between students and dollar volume of budgets.

12. The audit team reviewed the various functions performed by the offices included in the review. Contrary to Fredonia's response, the review did include purchasing and financial aid activities and found that the cost to perform these functions were comparable with those of Potsdam. Fredonia also states that the only valid comparison is in the total general administrative and general institutional areas. We disagree. More detailed comparisons, such as those performed in our review, will yield more useful information that the campuses could use to improve their operations.

13. The audit team did not determine the category in which SUNY Optometry should be classified. The classification is made by SUNY and is shown in all published documents.

14. SUNY disagrees with the recommendation and states that it would rather continue to solely allocate resources rather than determine how the money is actually spent. This response indicates a disregard of their fiduciary responsibility to the State taxpayers for ensuring that tax dollars are spent in the most efficient and economical manner. Furthermore, one of the campuses stated in its response that analysis of costs are worthwhile. Buffalo's response states "...that analysis and review of support service costs is necessary and desirable and that comparison both internally within SUNY and to peer institutions is an effective way to validate those costs."